



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

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CONSUMER BULLETIN

DIVISION OF CONSUMER AFFAIRS INVESTIGATES ALLEGATIONS OF GAS PRICE GOUGING IN WAKE OF HURRICANE KATRINA

Nashville, TN- The damage done by Hurricane Katrina is now being felt by Tennesseans at the gas pump. Prices for fuel this week have risen dramatically and drivers are wondering if they are being taken advantage of.

Governor Bredesen today addressed the issues surrounding gasoline supply in Tennessee, warning individuals and businesses who engage in gasoline price gouging that "we will be very tough and very aggressive on people who take advantage of this situation." The Governor said inspectors will be surveying the state this weekend for violations, and that those found engaging in the illegal practice will be subject to criminal prosecution and civil penalties, Bredesen said.

"To the people who own these stations, this is when you show what you're made of," Bredesen said. "If your attitude is to make as much money as you can out of someone else's tragedy, I don't think that's very Tennessee, or very American."

"We are taking this very seriously," said Paula A. Flowers, Commissioner for the Department of Commerce and Insurance. "Under Tennessee law, price gouging is illegal, and we will aggressively pursue anyone who violates that law."

It was anticipated that gas prices would rise after Katrina due to the fact that a substantial portion of the country's gas supply is produced in the Gulf region. Crude oil prices surged to an all time high and the Division of Consumer Affairs warns consumers to be on the lookout for potential price gougers.

Consumers may contact the Division of Consumer Affairs at 615-741-4737 or toll free at 800-342-8385 to report incidences of suspected price gouging. Consumers will need to provide the name of the gas station, address, and the price and grade of the gas being sold. Consumers may also report suspected price gouging online to the federal government at <http://gaswatch.energy.gov/>.

The State of Tennessee is carefully coordinating its response to the fallout from hurricane Katrina. Governor Bredesen has asked all departments and agencies in state government to work closely together to provide help and services to evacuees who are coming to Tennessee. "I am very proud of how Tennesseans are reaching out to these families and helping them get back on their feet, they don't call us the 'Volunteer State' for nothing," said Governor Phil Bredesen. Regular briefings on Tennessee's response to hurricane Katrina are available through the Governor's office at 615.741.3763.

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